

5-12-1966

## Democratic Congressional Dinner

Mike Mansfield 1903-2001

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### Recommended Citation

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May 17, 1966

STATEMENT OF SENATOR MIKE MANSFIELD (D., MONTANA) IN CONNECTION WITH THE  
INTRODUCTION OF THE ADMINISTRATION'S EAST-WEST TRADE RELATIONS BILL

Mr. President:

I am about to introduce a bill which is reported to have been already consigned to the legislative junkheap. And, indeed, that may prove to be the case. At this point, certainly, there is far more reason than not to concur in the bleak journalistic forecasts of the future of the so-called East-West Trade Relations bill.

That is a most unfortunate situation especially since the measure has been requested by the President and asked for by the Secretary of State in letters to the Vice President and the Speaker of the House.

I do not suppose that in the great equations of peace and war a few million dollars of trade with Bulgaria or Rumania looks like a very urgent or major matter. In the rising flames of the Vietnamese conflict, it appears almost incongruous to put forth a legislative effort which has as its purpose the enlargement of commerce with some countries in Eastern Europe.

Nevertheless, the Leadership is going to introduce this East-West Trade Relations bill. It will be introduced now because the President and the Secretary of State have asked for it. It will be introduced now because the Majority Leader welcomes an initiative along lines which he has believed desirable for many years. The measure will be introduced now because even

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the act of doing so or failing to do so does have some relevance to the great equations of peace and war. It will be introduced now not, in spite of the Vietnamese war, but, if anything, because of it.

Finally, Mr. President, the Leadership will introduce this measure because it is an entirely proper vehicle for a hard legislative look at the incongruities and anachronisms which have long characterized the policies of the United States towards Eastern Europe. These barnacles on American commerce not only plague businessmen, they also hamper the diplomacy of the President and the Secretary of State in seeking to develop useful and peaceful relations with various nations in that region.

Whatever their original justification, certain of the conditions which we ourselves imposed on our commerce years ago and with which this act, in effect, is designed to deal have become self-defeating, often meaningless, and very costly to individual Americans and to the nation as a whole. The measures were largely an expression of the fear, hostility, disgust, or whatever with which the United States greeted the appearance of certain systems of government and economics in Eastern Europe. They were in the nature, too, of reprisals for hostile acts against us. And they were, finally, vaguely designed to defend the West against Communism from the East.

I think, by this time, it is clear that while many factors may be involved in determining the future of Communism in Eastern Europe, the trade policies of the United States are at or near the bottom of the list in terms of significance. I would point out in this connection that for many years, we have had no trade to speak of with certain of the



Eastern European countries, but, at last report, they still had Communist governments. And the truth is that over the years we have had trade with Yugoslavia and Poland and even aid, but, at last report, they, too, still had Communist governments.

Let us, therefore, if we are going into a consideration of this bill, go in with our eyes open. Let us not tilt with windmills. If past trade policies have had little significance for the future of Communism in Eastern Europe one way or the other, it may be said that this bill does not have much significance either, one way or the other. I doubt that it will strike very much terror or very much joy in the hearts of the Communist purists of Eastern Europe.

The basic question in this bill, in short, is not what it will do to Communism in Eastern Europe. The basic question is what this bill will do for the United States.

The bill has no automatic and direct effect on trade between Eastern Europe and the United States. Rather, the bill deals with the relationship of the President and the Congress in delineating the patterns of that trade. It gives the President substantially the same kind of control over United States commerce with the entire region of Eastern Europe that he now has by law over trade with Yugoslavia and Poland.

The bill says to the President, in effect, if opportunities present themselves to enlarge the trading relationship in peaceful goods with various Eastern European countries, go ahead and explore them. If the occasion arrives to promote better and more stable relations by adjustments in peaceful trade with these nations do not hesitate to take advantage of the occasion. In short, this act would authorize the



President to use his judgment in setting certain rules and approaches for the conduct of trade with Eastern Europe. The passage of this act would make clear that the President is trusted by the Congress to act in this connection in the best interests of the United States.

Now, Mr. President, Congress has not hesitated to place an immense trust in the Presidency in matters involving war. It has done so in connection with Viet Nam. And, indeed, in the matter of nuclear war we have, literally, entrusted the whole fate of the nation and the world to the Presidency.

Yet, it is obvious that we tremble with mistrust, now, as an elephant before a mouse, when it is a question of entrusting to the Presidency certain very limited and highly circumscribed tools which may be useful to him in advancing the commercial interests of the United States. We tremble with mistrust at the possibility of a President, on his own, making some small contribution to the building of peaceful economic relations with a major area of the globe. And may I say, Mr. President, that that trembling in itself can have a far more adverse significance for the interests of the United States in the world than this bill could ever have, even in the wildest imagining of its misapplication by a President. How incongruous, indeed, is it to stand dauntless and courageous in support of the President in the war in Viet Nam while suffering the pangs of terror, revulsion or suspicion at the prospect of the President seeking to promote a little more peaceful commercial relations with Bulgaria or Romania or some such nation.



The irony, Mr. President, is that the cost of this reaction, the cost of this failure to face up to the implications of this proposed act falls heavily, not on others, but on citizens of this nation.

If we refuse even to consider action on this measure in this session, we are putting off coming to grips with the incongruities and anachronisms of our present trade policies respecting Eastern Europe for that much longer. And these are damaging, not to Eastern Europe, but to the economy of the United States of America.

Here are some of the more flagrant indications of the distortions which result from these policies.

Does the Senate know that there is a basic list of strategic goods which allied countries join with us in more or less excluding from normal trade channels to Eastern Europe? Beyond this limited listing, however, anything goes and devil take the hindmost, who, in this instance, is guaranteed by our own trade policies to be the American trader. In these circumstances, it is not surprising that the Netherlands or Sweden do about the same amount of business with the communist countries as does the United States. It is not surprising either that the total exports of Western Europe and Japan to the communist countries amounted to \$3.8 billion in 1965, while the total of U.S. exports to these countries added up to the grand total of \$140 million.



Does the Senate know that our present restrictive trade policies do not deny Eastern Europe access to very many of the products of the ingenuity of modern industry? They tend, rather, to turn Eastern Europeans to Western European and Japanese sources rather than to the United States for these items. And let us not delude ourselves; they find them. Even insofar as choice and exclusive American non-strategic products may be concerned, which we choose not to ship to Eastern Europe, these may not necessarily be denied to Eastern Europe. At the end of my remarks, Mr. President, I shall insert an article from the Wall Street Journal which appeared in the May 10 issue and which shows in detail, Mr. President, how time and again American firms operate through Western European branches or other corporate arrangements in order to sell such products in Eastern Europe.

I do not blame the American businessmen. They are compelled to this course by the intense competition and the demands of modern world-scale business. Many are prepared to sell and ship from the United States directly to Eastern Europe, but for a variety of reasons are unable to do so. In short, Mr. President, the policies and attitudes on trade with Eastern Europe have now become a stimulus for American business to export investments and jobs to Western Europe and elsewhere.

The stigma for this state of affairs, I repeat, does not attach to business. It attaches to the Congress and the Executive Branch for the reluctance or inertia in facing up to the facts of a changed commercial world, especially in Europe. In this connection, I need not dwell at



length on the Firestone fiasco of last year. You know the sorry circumstances which compelled that company to cancel an arrangement which it had made in good faith with the Romanian government. The Firestone Company had encouragement and approval from the Executive Branch in its proposal to supply the technical resources for the construction of a synthetic rubber plant in Romania. But in the end, the Firestone Company was victimized for its efforts by a scurrilous private boycott which was set in motion here at home, according to some reports, with the encouragement of one of Firestone's competitors.

While on the subject of Romania, I would point out, further, that the United States is obviously not that country's principal capitalist trading partner. But does the Senate know which country has the largest volume of trade with communist Romania after the Soviet Union? Poland? Eastern Germany? Outer Mongolia? China, or some other communist state? No, Mr. President, Romania's second largest trade is now with Western Germany. Nevertheless, we still cling to the practice of sharp restriction on trade with Romania--and, even worse, shift the trade signals uncertainly, as in the Firestone affair.

The Senate, Mr. President, has heard of the recent arrangement whereby Fiat of Italy contracted to build an entire automobile assembly plant in Russia and of the West German agreement to undertake to erect a whole steel complex in Communist China. These are only striking examples



in the long list of spectacular trade arrangements whereby Western Europe and Japan are moving into expanding and advantageous economic relations with the nations of the communist bloc.

I could go on, Mr. President, citing illustration after illustration in a similar vein. All serve merely to underscore the anomalies which arise from a vastly altered trading situation in Europe coupled with a substantially unaltered pattern of trade policies and attitudes on the part of the United States. The anomalies clearly affect in a most adverse fashion the commercial interests of American citizens.

But, in the end, Mr. President, we will not act or fail to act on this bill merely for the commercial advantages which may be involved. And that is as it should be. In the end, the larger international equations cannot be ignored, even in a minor bill of this kind. And in the larger equations, the fundamental factor, today, is Viet Nam.

I said at the outset, Mr. President, that in my judgment, the tragedy of Viet Nam is not a factor which argues against this measure but rather one which, if anything argues for it. I say that notwithstanding the fact that the nations which would be most constructively affected by this measure are sharply antagonistic to our policies in Viet Nam. But they are not alone in that attitude. It would be an irresponsible self-immolation of this nation's commerce to require approval of Vietnamese policy as a basis for mutually advantageous commercial relations with nations elsewhere. And it is akin to that immolation to reject better commercial relations with nations where they



can be but have not yet been established because those nations disapprove of these policies.

Far more important, however, than the limited increase in trade it promises to bring, is the great significance which attaches to this measure as a clear-cut act of peace in the midst of the blurred and bloody act of the Vietnamese war. It is a tangible affirmation of American words of peace which will rise above the canonades of that conflict. It says, as no words can say, that peace and not war is what the United States wants. It says that the Congress of the United States trusts the President to pursue the one even as it upholds his hand in the other.

It is in that vein that I introduce the East-West Trade Relations Act at this time. I endorse fully the purpose of this bill and will support its enactment.

I say in all frankness, however, that the hope for action is dim, and I have no desire to stimulate false hopes. My purpose, today, is to bring the matter into the open. The questions which this bill raises should be faced. They ought not to be swept under a rug of indifference. They ought not to be obscured by the Vietnamese conflict.

It is my personal judgment that if we examine these questions, whether in the minute details of commercial value to individual American citizens and companies or in the vast context of the search for world peace, this proposed trade act has a part to play which serves the interests of the United States. I am persuaded, moreover, that the sooner this act is permitted to play that part, the better it will be for this nation and the world.